

D.P.U. 95-7A

Application of Nantucket Electric Company under the provisions of G.L. c. 164, § 94G and the Company's tariff, M.D.P.U. 193B, for approval by the Department of Public Utilities of an interim change in the fuel charge to be billed to the Company's customers pursuant to meter readings in the billing month of April, 1995.

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FOR: NANTUCKET ELECTRIC COMPANY  
Petitioner

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Intervenor

Jane Walton  
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Limited Participant

## I. INTRODUCTION

On February 23, 1995, pursuant to G.L. c. 164, § 94G, Nantucket Electric Company ("Nantucket" or "Company") notified the Department of Public Utilities ("Department") of the Company's intent to file an interim change to its fuel charge in conformance with its tariff, M.D.P.U. 193B. The Company requested that the change to its fuel charge be effective for bills issued pursuant to meter readings for the billing month of April, 1995. The matter was docketed as D.P.U. 95-7A.

Pursuant to notice duly issued, a public hearing on the Company's application was held on March 16, 1995, at the Department's offices in Boston. Notice of the hearing was published by the Company in the Nantucket Inquirer and Mirror. The Company also complied with the requirement to mail a copy of the notice of the hearing to all persons with whom the Company has special retail contracts which do not incorporate a filed rate, and to all intervenors and their respective counsel from the Company's prior two fuel charge proceedings.

The Attorney General of the Commonwealth ("Attorney General") intervened as of right, pursuant to G.L. c. 12, § 11E. The Department granted the petition for leave to intervene as a limited participant filed by Jane Walton, a residential customer of the Company. No other petitions for leave to intervene were filed. At the hearing, the Company sponsored one witness: Douglas Kenward, director of planning and regulatory affairs for the Company. The Company submitted four exhibits, which were admitted into evidence.

Nantucket supplies electricity at retail cost to the Island of Nantucket, which is not interconnected with the mainland or with any other electric company or system. Thus, the

Company is distinguishable from most other New England utilities in that it is completely dependent on itself and any nonutility power producers on Nantucket Island for its generation needs. The Company's generating plant consists of thirteen internal combustion (diesel) engines and associated generators, variously sized from 700 kilowatts ("KW") to 6,900 KW, with a total installed generating capacity of approximately 32,250 KW. The Company has 7,528 customers on a monthly basis, of which approximately 2,000 are year-round customers. In its 1993 annual report to the Department, the Company reported retail revenues of \$12,328,618 from the sale of 83,040 megawatthours of electricity.

## II. FUEL CHARGE

On March 9, 1995, the Company filed with the Department its proposed interim changes to its fuel charge for April, 1995. The Company requested the change pursuant to an Order on Offer of Settlement, approved by the Department on March 20, 1995, which resolved all outstanding issues in the Company's performance review for the performance year ended March 31, 1994. Nantucket Electric Company, D.P.U. 94-7C-1, (Exh. NEC-4 at 1). The Company stated that according to the terms of the Order on Offer of Settlement, the Company will refund one hundred thousand dollars (\$100,000) to its ratepayers, beginning on April 1, 1995, in four equal monthly installments of \$25,000 (id.).

The Company proposes an interim fuel charge of \$0.02633 per kilowatthour applicable to all meter readings of the Company for the billing month of April 1995 (Exh. NEC-1 at 3). The proposed fuel charge is \$0.01709 per KWH less than the quarterly fuel charge of \$0.04342 approved by the Department in Nantucket Electric Company, D.P.U. 94-7E (1994) for meter readings for the billing months of February, March, and April of

1995. The Company indicated that the decrease in the proposed fuel charge is attributable to an overcollection, which includes actual sales being greater than sales forecast for January and February, and the incorporation of \$25,000, one quarter of the \$100,000 refund, pursuant to the Order on Offer of Settlement (id. at 4, Tr. at 10,11).

### III. FINDINGS

Based on the foregoing, the Department finds:

That the fuel charge to be applied to Company bills issued pursuant to meter readings for the billing month of April, 1995 shall be \$0.02633 per KWH. (The calculation of the fuel charge is shown in Table 1, attached).

### IV. ORDER

Accordingly, after due notice, hearing and consideration, it is

ORDERED: That the Company is authorized to put into effect an interim fuel charge of \$0.02633 per KWH as set forth in Section III, above, for bills issued pursuant to meter readings for the billing month of April, 1995; and

FURTHER ORDERED: That the fuel charge approved herein shall apply to kilowatthours sold to the Company's customers subject to the jurisdiction of the Department and shall be itemized separately on all such customers' electric bills; and it is

FURTHER ORDERED: That the Company, in all future fuel charge proceedings, shall notify all intervenors and their respective counsel from the Company's prior two fuel charge proceedings that it is proposing an adjustment to its fuel charge, and shall also notify these persons of the date scheduled for the hearing on the proposed fuel charge at least ten days in advance of the hearing; and it is

FURTHER ORDERED: That the Company, in all future fuel charge proceedings, shall provide all intervenors and their respective counsel from the prior two fuel charge proceedings with a copy of its fuel charge filing, in hand or by facsimile, on the same day it is filed with the Department; and it is

FURTHER ORDERED: That, pursuant to G.L. c. 164, § 94G, fuel costs allowed by this Order are subject to such disallowance as the Department may determine in any subsequent investigation of the Company's performance period that includes the month applicable to the present charges.

By Order of the Department,

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Kenneth Gordon, Chairman

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Mary Clark Webster, Commissioner

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Janet Gail Besser, Commissioner

Appeal as to matters of law from any final decision, order or ruling of the Commission may be taken to the Supreme Judicial Court by an aggrieved party in interest by the filing of a written petition praying that the Order of the Commission be modified or set aside in whole or in part.

Such petition for appeal shall be filed with the Secretary of the Commission within twenty days after the date of service of the decision, order or ruling of the Commission, or within such further time as the Commission may allow upon request filed prior to the expiration of twenty days after the date of service of said decision, order or ruling. Within ten days after such petition has been filed, the appealing party shall enter the appeal in the Supreme Judicial Court sitting in Suffolk County by filing a copy thereof with the Clerk of said Court. (Sec. 5, Chapter 25, G.L. Ter. Ed., as most recently amended by Chapter 485 of the Acts of 1971).